



Health Capsule

The Division of Pensions and Benefits ♦ For County, Municipal, and School Board Employees ♦ Issue #19

Oxford Health Plan Update

On July 29, 2004, UnitedHealth Care merged with Oxford Health Plans, Inc. The Oxford name, benefit structure, and contact information will remain the same but new identification cards were issued during March and April to Oxford participants that include the UnitedHealth Care logo. Additionally, on July 1, 2005 the participating provider group for Oxford participants will be expanding to include those providers associated with UnitedHealth Care.

For more information, call Oxford at 1-800-760-4566 or visit their Web site at www.oxfordhealth.com



Spring 2005

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HIPAA Notification for 2005

The federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires group health plans to implement several provisions contained within the law or annually notify its membership of any provisions for which they file an exemption.

For the plan year that began January 1, 2005, all State Health Benefits Program (SHBP) health plans meet or exceed the federal requirements, with the exception of mental health parity for the Traditional Plan and NJ PLUS. The State Health Benefits Commission has filed an exemption from the area of mental health parity for non-biologically based mental illness with the federal Centers for Medicare and Medicaid Services for calendar year 2005 for the Traditional Plan and NJ PLUS. The maximum annual and lifetime dollar limits for mental health benefits under the Traditional Plan and NJ PLUS will not change. These limitations are outlined in the *SHBP Summary Program Description*.

Employers who Adopted Domestic Partnership Act Listed on Web

The Domestic Partnership Act recognizes adult individuals in New Jersey who wish to establish a domestic partnership. This law, which went into effect on July 10, 2004, provides that two persons who desire to become domestic partners may execute and file an *Affidavit of Domestic Partnership* with the local registrar, provided they meet the requirements and provisions of the law. The Domestic Partnership Act adds a same-sex domestic partner to the definition of spouse, widow, and widower, so that the domestic partner is treated in the same manner as a spouse.

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Local Employers who Adopted Domestic Partnership Act Listed on Web *Continued from page 1*

In order for the Domestic Partnership Act to apply to the employees and retirees of a local public entity, the entity's governing body must pass a resolution or ordinance extending the domestic partner benefit and file it with the Division of Pensions and Benefits. The decisions to provide pension and/or State Health Benefits Program (SHBP) benefits to domestic partners are separate and distinct decisions that must be made by the governing body. The law gives the employer the option to extend, or not extend, the domestic partner benefit to its employees and retirees. However, if the employer wishes to provide domestic partner benefits, it must do so for all its employees and retirees. Eligible dependent children of a covered domestic partner can also be added to coverage.

County, municipal, and educational employers who have resolved to provide pension and/or health benefits to same-sex domestic partners under the Domestic Partnership Act are listed on the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions Look under “Hot Topics” and click on the “Domestic Partnership Act” link. Our Web site also includes general information about the law including Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, or have the fact sheet faxed to you by calling (609) 777-1931 and requesting fax selection 8419 when prompted.

Did You Know...

When applying for coverage for a new spouse or domestic partner under the SHBP, a copy of either your marriage certificate or *Certificate of Domestic Partnership* must be submitted along with a completed health benefits application to your benefits administrator or human resources representative.

Domestic Partnership Act Tax Implications

SHBP members with domestic partners need to be aware of the possible tax implications of adding a domestic partner to SHBP benefits. Since the federal tax code does not recognize domestic partners in the same manner as spouses, the domestic partnership benefit provided will be subject to federal income, Social Security, and Medicare taxes. A member adding a domestic partner to his or her coverage should expect to have to pay these taxes based on imputed income from the premium cost of the domestic partner coverage.

The value of the domestic partner benefit that will be reported as income to the member who receives SHBP coverage will be the cost of single coverage in the plan in which the member is enrolled. If the member pays for a portion of the coverage through premium sharing arrangements, the income reported will be reduced by the amount that the member pays for the domestic partner's coverage. At the end of the tax year the Division sends a federal Form *W-2* showing the income attributed to the domestic partner benefit that the Division had reported to the IRS.

In certain circumstances, a member may be exempt from additional tax on imputed income if the domestic partner can qualify as a dependent under the federal tax code. These requirements are not easily met and are strictly enforced by the IRS. Contact the IRS for *IRS Tax Topic 354—Dependents* for more details at 1-800-829-3676 or visit the IRS Web site at www.irs.gov.

The domestic partnership benefit is not subject to New Jersey State income tax. If you live outside of New Jersey, you should check with your state's tax agency to determine if the domestic partner benefit is subject to state taxes.

For more information about this law see the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions Look under “Hot Topics” and click on the Domestic Partnership Act link. Our Web site also includes general information about the law including Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, or have the fact sheet faxed to you by calling (609) 777-1931 and requesting fax selection 8419 when prompted.

Women's Health

Effective October 5, 2004, Chapter 86, P.L. 2004 requires health insurers to provide health benefits coverage for expenses incurred in conducting mammograms. These providers include health, hospital, medical service corporations; commercial, individual, small employer and group health insurers; health maintenance organizations; and the SHBP. This law targets women under age 40 who have a family history of breast cancer or other breast cancer related risk factors.

SHBP Publications Revised for '05 Plan Year

The SHBP has recently revised several of its publications for the 2005 plan year. The newly revised editions are as follows:

SHBP Summary Program Description (SPD) provides overall program information regarding the SHBP. The SPD includes information about all of the participating plans in the SHBP and addresses the policies employed by the SHBP regarding such issues as enrollment, retirement, Medicare, COBRA, etc.

SHBP Comparison Summary chart, your “map” to the SHBP, is an outline of the benefits that each HMO, the Traditional Plan, and NJ PLUS offers its members. The most common benefits used by our members are compared side-by-side in an easy to read format.

For those whose employer participates in the **Employee Prescription Drug Plan**, a **new member handbook** is available. It

provides a detailed overview of the entire prescription drug plan that includes plan benefits, an explanation of mail order services, how to file a claim, and plan exclusions.

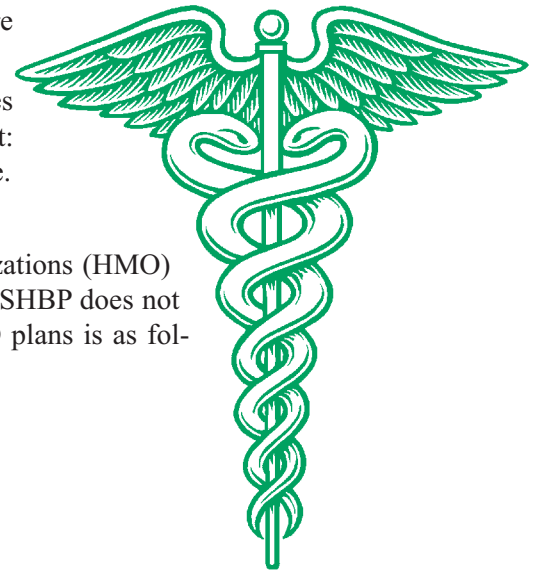
NJ PLUS Member Handbook and **Traditional Plan Member Handbook** describe the specific benefits offered within each of these plans, which are administered by Horizon Blue Cross Blue Shield of New Jersey.

To obtain a copy of any of these publications see your human resources representative or benefits administrator or visit the SHBP's Web site at: www.state.nj.us/treasury/pensions/shbp.htm to view these publications online.

HMO Members Please Note:

If you are a member of one of the SHBP's Health Maintenance Organizations (HMO) you must contact the plan directly for a copy of a member handbook — the SHBP does not retain a supply of these publications. The contact information for the HMO plans is as follows:

- Aetna HMO (www.aetna.com) 1-800-309-2386
- Amerihealth HMO (www.amerihealth.com) 1-800-877-9829
- Cigna Healthcare HMO (www.cigna.com/health) 1-800-244-6224
- Health Net HMO (www.healthnet.com) 1-800-441-5741
- Oxford HMO (www.oxfordhealth.com) 1-800-760-4566



Telecommunication for Hearing Impaired

The Division of Pensions and Benefits' Office of Client Services offers a special number for using the Telecommunications Device for the Deaf (TDD) system for hearing impaired members. The TDD number is (609) 292-7718. To use this system you must have TDD equipment; this number is not accessible by a regular telephone. A counselor will be available to directly correspond with you weekdays (except State holidays) between 8:30 a.m. and 4:00 p.m.

AdvancePCS is now Caremark

The pharmacy benefits management company for the SHBP's Employee Prescription Drug Plan has changed its name from AdvancePCS to "Caremark." In February, participating members were issued new membership cards with the Caremark name. There will be no benefit changes to the SHBP Employee Prescription Drug Plan benefits as a result of the name change to "Caremark." For more information visit their new Web site, www.caremark.com or call Caremark's Member Services at 1-866-881-5605.

Have You Recently Moved?

Each year, administrative dollars are wasted because SHBP members' addresses have not been updated. To ensure that you receive all important notices about your health plan, you should make sure that your employer has your most current address on your personnel record. If you have recently moved, be sure to immediately report the new address to your benefits administrator or human resources representative.

Prescription Drug Plan Members

Prescription Drug Claims are not Covered by Your SHBP Medical Plan

Local government employers have a choice of how to provide your prescription drug benefits coverage. Coverage can be offered through your SHBP medical plan (Traditional Plan, NJ PLUS, or HMOs) or a separate prescription drug plan: either the SHBP's Employee Prescription Drug Plan or a non-SHBP prescription drug plan established separately with a private company.

Non-SHBP prescription drug plans must be approved by the SHBP and those plans may have varying benefits and exclusions that do not cover the cost of every prescription drug on the market. If your employer provides their own prescription drug benefit, your prescription drug claims that are not covered by your employer's plan **may not be submitted** to your SHBP medical plan. Your SHBP medical plan will automatically reject these claims because each medical plan knows who should and should not be covered for prescription drug claims.

For questions about how your prescription drug benefits are covered, please see your benefits administrator or human resources representative.

Urgent Appeal for Blood Donations

Blood is needed for emergencies and for people who have cancer, blood disorders, and other illnesses. Millions of Americans need regular blood transfusions to live. Every few seconds someone in this country needs blood and becoming a blood donor is fast, simple, safe, and most importantly saves lives — in fact, one blood donation can save up to three lives!

To learn more about blood donation opportunities, visit www.givelife.org or call 1-800-GIVE-LIFE (1-800-448-3543). A list of licensed blood banks in the New Jersey area is provided by the NJ Department of Health and Senior Services at www.state.nj.us/health/blooddonation/index.html

Source: NJ Department of Health and Senior Services

New Jersey SHBP

Health Capsule

Division of Pensions
and Benefits
(609) 292-7524

www.state.nj.us/treasury/pensions

Health Capsule is published periodically for municipal, county and school board employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health and prescription benefits and will include articles on new or proposed legislation, New Jersey Administrative Code changes, decisions of the State Health Benefits Commission, and national issues affecting our programs.

The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to *Health Capsule*, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

Frederick J. Beaver
Director

*Division of Pensions
and Benefits*

Florence J. Sheppard
Deputy Director
Benefits Operations

Steven R. Stokley
Senior Editor
Publications

Helen C. Benjamin
Editor
Publications

Serena M. Torpila
Graphic Artist
Publications